

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:3197
ANSWERED ON:22.03.2002
MOU BETWEEN MMTC AND INDONESIA
PATY RIPPLE KYNDIAH;VSM (RETD.) COL. CHOUDHARY

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether the MMTC and Indonesian Chamber of Commerce have signed a Memorandum of Understanding during February, 2000;
- (b) if so, the details thereof;
- (c) whether in order to push palm oil on softer terms to India, Indonesia have shown their interest to buy and import rice from India;
- (d) whether Indonesia and Malaysia, the world's leading palm oil exporters have been lobbying with India to have a 'level playing field' by bringing palm oil duty on par with Soya oil;
- (e) whether Indonesia have shown interest to cooperate closely in Information Technology, Pharmaceuticals, Agro product to step up current level of Trade; and
- (f) if so, details thereof and the Government's reaction thereto?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY)

(a)&(b) A Memorandum of Understanding (MoU) was signed between MMTC and Indonesian Chamber of Commerce (KADIN) during February 2000 keeping in view the desire of both the parties to promote trade between the two countries and to enhance bilateral trade between the two countries by promoting and undertaking trade both ways directly or through designated companies in respective countries. The MoU also provides for payment in US Dollars through appropriate mechanism to be mutually discussed and agreed. Major items identified for export from India are Agro Products, Railway Project, Engineering items, etc.; and items for import are Crude Palm Oil, Refined Bleached and Deodourised Palmolein, Coal, Timber, etc.

(c) The discussions on rice exports by MMTC to Indonesia are continuing although Indonesian Authorities have not indicated any firm interest on purchase of rice from India.

(d) Indonesia and Malaysia had requested Government of India to bring down the import duty on Crude Palm Oil. Accordingly, the Government has since reduced import duty on crude palm oil by 10% in November 2001.

(e)&(f) The Minister of Trade and Industry, Indonesia recently visited India in February 2002 and called upon Commerce and Industry Minister in which she highlighted the need for greater co-operation between the two countries in sectors such as railways, agro products, floriculture, information technology, drugs and formulations to enhance bilateral economic co-operation. In response to this, the Government has offered to supply quality wheat and rice to Indonesia on long-term basis at competitive prices.